

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 3228 - SB 3150**

February 22, 2010

**SUMMARY OF BILL:** Repeals the sales tax exemption for whitewater rafting charges on the Ocoee River.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$28,300**

**Increase Local Revenue - \$10,100**

**Assumptions:**

- According to the Department of Revenue, whitewater rafting on the Ocoee River is scheduled to run 34 days from the upper river and 78 days from the middle river during 2010.
- The rafting charge for the upper river is \$100 per person; the rafting charge for the middle river is \$30 per person.
- Fifty persons per day on the upper river; 100 persons per day on the middle river.
- Taxable sales are estimated to be \$404,000 per year  $[(50 \times \$100 \times 34 \text{ days}) + (100 \times \$30 \times 78 \text{ days}) = \$404,000]$ .
- The current state sales tax rate is seven percent.
- The average local option sales tax rate is estimated to be 2.5 percent.
- The increase to state revenue is estimated to be \$28,300 per year  $(\$404,000 \times 7.0\% = \$28,280)$ .
- The increase to local government revenue is estimated to be \$10,100 per year  $(\$404,000 \times 2.5\% = \$10,100)$ .

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

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